DRAFT 5/31/95

May __, 1995

Mr. Phil Van Horn
General Chairman
Cheyenne Frontier Days
P. O. Box 2477
Cheyenne, Wyoming 82003

Cheyenne Frontier Days

Dear Mr. Van Horn:

This letter constitutes the agreement between Philip Morris Incorporated ("Philip Morris") and Cheyenne Frontier Days ("Promoter"), regarding Philip Morris' sponsorship of Cheyenne Frontier Days (the "Event") to be held July 21 through July 30, 1995 at Frontier Park in Cheyenne, Wyoming. The terms of our agreement follow.

1. Sponsorship Rights. As a sponsor of the Event, Philip Morris will be entitled to the following:

(a) exclusive use of a 10' x 20' tent supplied by Philip Morris for operation as a promotional tent (the "Promotional Tent") in a location at the site of the Event to be agreed upon by the parties;

(b) the exclusive right to conduct tobacco sales and distribute branded incentive items to smokers 21 years of age and older at Event locations to be mutually agreed upon by the parties;

(c) the right to display at least one 3' x 5' **MARLBORO** banner at prominent Event locations, including: (i) during the pancake breakfast and (ii) at the entrance fencing to the Event;

(d) the right to display **MARLBORO** banners and signage on and around the Promotional Tent and **[the Float] [What is the Float?]**;

Wd can remove float, we never place banners on + by Parade floats.

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(e) the right to exhibit a **MARLBORO** flag in each of the four parades in downtown Cheyenne and in nine rodeo grand entries;

(f) the right to **MARLBORO** signage forty-two inches by ten feet (42" x 10'). Philip Morris will provide artwork for the signage, and the signage will be produced by Promoter. The signage will be placed at a location at the Event to be mutually agreed upon by the parties;

(g) the right to purchase from Promoter a chuckwagon tarp, when available, for the chuckwagon races, at a price to be mutually agreed upon by the parties;

(h) four complimentary tickets to the Event's Governor's Invitational Art Show;

(i) 10 sponsor badges for use of, and in areas specifically designated by, Philip Morris throughout Frontier Park and free parking for at least four vehicles throughout the Event;

(j) 10 invitations to the Sponsors/Cheyenne Frontier Days Committee reception hosted by the Governor of Wyoming;

(k) 10 seats in front of "B" stand for the rodeo and 10 Category I Sponsor seats in the "B" stand sponsor area for each evening show performance during the Event;

(l) the assistance of Promoter in acquiring the best available additional reserved seat tickets in the "B" stand area for the rodeo and each evening show performance;

(m) sponsorship recognition in the 1995 Ticket Brochure, Schedule of Events, Frontier Days Fact Sheet, Frontier Days newsletter (Hooey), news releases, feature releases and other promotional and news material;

(n) a prominent feature of **MARLBORO** in the 1995 Event Souvenir Program;

(o) a **MARLBORO** listing in the Daily Show Program and recognition in pubic address announcements;

(p) the right to participate in cooperative advertising or mutually beneficial programs in connection with the Event;

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(q) the right to receive assistance from Promoter with transportation needs during the Event; and

(r) the right to recognition in media and print advertising placed in connection with the Event and to approve in advance all materials and announcements prepared by Promoter that mention Philip Morris or **MARLBORO**; provided, that the approval is effected on a timely basis.

2. Sponsorship Payment. For the rights and permissions granted under this letter agreement, Philip Morris will pay Promoter an aggregate of $18,000. Philip Morris will pay Promoter $9,000 within 10 business days of complete execution of this letter agreement and Promoter's submission of an invoice and the balance of $9,000 upon Promoter's submission of an invoice on July 18, 1995.

3. Term. The term of this letter agreement will commence upon its execution, and continue through the completion of the Event. This letter agreement may be terminated by Philip Morris upon five days written notice to Promoter, in the event that Promoter breaches any of the terms and conditions of this letter agreement. Philip Morris has the right to renew this letter agreement, if the Event is held in 1996, based upon the premises and conditions set forth by Promoter for 1996, upon written notice of commitment delivered to Promoter on or before October 15, 1995 and executed by May 1, 1996.

In the event of circumstances beyond the control of Promoter resulting in the cancellation of the Event for 1995, this letter agreement will be deemed rightfully terminated by mutual consent and neither party will have any right of action against the other by virtue thereof. However, Promoter will refund to Philip Morris payments made in advance of the cancellation.

4. Exclusivity. With the exception of the agreement previously entered into by Promoter with U.S. Tobacco as an advertiser/sponsor of the Event, Promoter will not enter into sponsorship agreements with any other manufacturer of cigarette or tobacco products, nor permit signage, commercial identification or distribution of any other cigarette or tobacco products in connection with the Event, without the prior written consent of Philip Morris. Philip Morris acknowledges Promoter's obligation to comply with all rules and regulations of the Pro Rodeo Cowboys Association ("PRCA") regarding PRCA sponsors.

5. Independent Contractor. Promoter is and will remain an independent contractor and nothing in this letter agreement will create a relation of principal and agent or employer and employee between Philip Morris and Promoter or any of its employees.

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6. The MARLBORO Name. Promoter will have no right or interest in the **MARLBORO** name or the slogans, designs of logo-types associated with **MARLBORO**, except the limited right to use pursuant to this letter agreement. All use is subject to the advance approval of Philip Morris as described in paragraph 1(r).

7. Promoter's Name and Logo. Promoter hereby grants Philip Morris the right to use Promoter's name and logo in advertising and promotional materials produced by Philip Morris in connection with the Event, subject to Promoter's advance approval.

8. Insurance. Prior to the commencement of the Event, Promoter will deliver to Philip Morris original certificates of insurance evidencing coverage for (i) comprehensive general liability, including advertiser, spectator, participant, host liquor and contractual liability with limits of no less than $1,000,000 combined single limit for bodily injury, including personal injury, and property damage; (ii) comprehensive automobile liability including all owned, non-owned and hired vehicles, with limits of no less than $1,000,000 combined single limit; (iii) statutory workers' compensation coverage meeting all state and local requirements; and (iv) employers' liability with limits of no less than $500,000. The insurance certificates required by subparagraph (i) must name Philip Morris, its affiliates, employees and assigns as additional insureds and must state that Philip Morris will be provided at least 30 days' prior written notice of any cancellation or modification of the insurance. The insurance must be primary coverage without right of contribution from any other Philip Morris insurance.

9. Indemnity. Promoter indemnifies and holds harmless Philip Morris, its affiliates and each of their respective officers, employees, directors and agents from any claim, liability, cost or expense, including reasonable attorneys' fees, that arise from or may be attributable to any error, omission or fault of Promoter. Promoter's obligation to indemnify and hold harmless will survive the termination or expiration of this letter agreement.

10. Termination. If any federal, state, municipal or local law, regulation, ordinance, ruling, or judgment becomes effective that makes the promotion of tobacco products as contemplated by this letter agreement unlawful or impracticable or materially reduces the value of this letter agreement to Philip Morris, this letter agreement may be terminated by Philip Morris as of the date that the law, regulation, ordinance or ruling becomes effective, and Promoter will refund to Philip Morris all amounts paid to Promoter by Philip Morris hereunder during the term of this letter agreement. If this letter agreement is so terminated, Promoter may deduct from the refund all nonrecoverable costs incurred by Promoter on behalf of Philip Morris.

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11. Third Party Contacts. If at any time Promoter is contacted by a third party, including the media, other than as contemplated by the terms of this letter agreement, concerning Promoter's activities on behalf of Philip Morris, Promoter will make no comment, immediately notify Philip Morris of the third party contact, and refer the third party to Philip Morris, Vice President, Corporate Affairs.

12. Confidentiality. Promoter, its employees and agents will hold strictly confidential all information and materials provided by Philip Morris to Promoter or created or acquired by Promoter in performing this letter agreement. The information and material will remain the property of Philip Morris. Promoter will not use or disclose the information and materials to third parties without the prior, written consent of Philip Morris. Upon termination or expiration of this letter agreement, or within 30 days thereafter, Promoter will return all materials to Philip Morris. Promoter will not disclose the terms of this letter agreement to third parties, except as is necessary for the performance of its obligations hereunder, without the prior, written consent of Philip Morris. Promoter's obligation to maintain confidentiality will survive the termination of this letter agreement.

13. Notices. Any notice given hereunder must be in writing and delivered by United States certified mail, return receipt requested, postage prepaid, and if to Promoter, at the address set forth above, attention: Mr. Phil Van Horn and if to Philip Morris, to Philip Morris Incorporated, 120 Park Avenue, New York, New York 10017, attention: Director, Event Marketing.

14. Governing Law. This letter agreement shall be governed by the laws of the State of Wyoming applicable to contracts made and entirely performed in Wyoming.

15. Miscellaneous.

(a) Force Majeure, acts of God, or other causes beyond the control of either party delaying or causing the cancellation or delay of the Event will not subject Promoter or Philip Morris to any liability hereunder, except if, and to the extent, otherwise specifically provided herein.

(b) This letter agreement may not be modified or amended except by a writing signed by both parties. No waiver of a breach of any term of this letter agreement shall be deemed a waiver of any subsequent breach of that term or any other term or a general waiver.

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(c) This letter agreement may not be assigned by either party without the written consent of the other.

(d) This letter agreement sets forth the entire agreement between the parties on its subject matter and supersedes all previous oral or written agreements between them on the subject matter.

(e) Each party hereto will comply with all applicable federal, state and local laws, regulations and ordinances affecting its activities hereunder, including Title 15 U.S.C. §§ 1331 et seq.

If the foregoing accurately sets forth our understanding, please signify your acceptance and agreement by executing the enclosed copies of this letter and returning one countersigned copy to me.

Very truly yours,

PHILIP MORRIS INCORPORATED

By:_____

Title:_____

ACCEPTED AND AGREED AS OF
THE DATE OF THIS LETTER:

CHEYENNE FRONTIER DAYS

By:_____
Phil Van Horn

Taxpayer ID No. _____

Filing Status _____

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